

108TH CONGRESS
2D SESSION

H. R. 2432

[Report No. 108-]

To amend the Paperwork Reduction Act and titles 5 and 31, United States Code, to reform Federal paperwork and regulatory processes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 2003

Mr. OSE (for himself, Mr. TANNER, Mr. TOM DAVIS of Virginia, Mr. MOORE, Mr. JANKLOW, Mr. MATHESON, and Mr. RYAN of Wisconsin) introduced the following bill; which was referred to the Committee on Government Reform, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

MAY , 2004

Reported from the Committee on Government Reform with an amendment

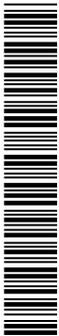
[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on June 11, 2003]

A BILL

To amend the Paperwork Reduction Act and titles 5 and 31, United States Code, to reform Federal paperwork and regulatory processes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*



1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Paperwork and Regu-*
3 *latory Improvements Act of 2004”.*

4 **SEC. 2. FINDINGS.**

5 *Congress finds the following:*

6 *(1) In 1980, in the Paperwork Reduction Act,*
7 *Congress established the Office of Information and*
8 *Regulatory Affairs (OIRA) in the Office of Manage-*
9 *ment and Budget. OIRA’s principal responsibility is*
10 *to reduce the paperwork burden on the public that re-*
11 *sults from the collection of information by or for the*
12 *Federal Government. In 2002, OIRA estimated that*
13 *the paperwork burden imposed on the public was 7.7*
14 *billion hours, at a cost of \$230 billion. The Internal*
15 *Revenue Service accounted for 83 percent of the pa-*
16 *perwork burden.*

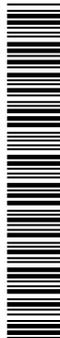
17 *(2) In 1995, Congress amended the Paperwork*
18 *Reduction Act and established annual government-*
19 *wide paperwork reduction goals of 10 percent for each*
20 *of fiscal years 1996 and 1997, and 5 percent for each*
21 *of fiscal years 1998 through 2001, but the paperwork*
22 *burden increased, rather than decreased, in each of*
23 *those fiscal years and fiscal year 2002. Both the Of-*
24 *fice of Management and Budget and the Internal Rev-*
25 *enue Service need to devote additional attention to*
26 *paperwork reduction.*



1 (3) *In 2002, the House Report accompanying the*
2 *Treasury and General Government Appropriations*
3 *Act, 2003 (House Report 107-575) stated, “The Office*
4 *of Management and Budget has reported that paper-*
5 *work burdens on Americans have increased in each of*
6 *the last six years. Since the Internal Revenue Service*
7 *imposes over 80 percent of these paperwork burdens,*
8 *the Committee believes that OMB should work to*
9 *identify and review proposed and existing IRS paper-*
10 *work.”.*

11 (4) *One key to success in paperwork reduction is*
12 *the Office of Management and Budget’s systematic re-*
13 *view of every new and revised agency paperwork pro-*
14 *posal. Recent statutory exemptions from that office’s*
15 *review responsibility, especially those without any*
16 *stated justification, should be removed.*

17 (5) *In 2000, researchers Mark Crain of George*
18 *Mason University and Thomas Hopkins of the Roch-*
19 *ester Institute of Technology, in their October 2001*
20 *publication titled “The Impact of Regulatory Costs on*
21 *Small Firms”, estimated that Americans spend \$843*
22 *billion annually to comply with Federal regulations.*
23 *Congress has a responsibility to review major rules*
24 *(as defined by section 804 of title 5, United States*
25 *Code) proposed by agencies, especially regulatory al-*



1 *ternatives and the costs and benefits associated with*
2 *each of them. In 2000, in the Truth in Regulating*
3 *Act, Congress established new responsibility within*
4 *the General Accounting Office to assist Congress with*
5 *this responsibility.*

6 *(6) In 1996, because of the increasing costs and*
7 *incompletely estimated benefits of Federal rules and*
8 *paperwork, Congress required the Office of Manage-*
9 *ment and Budget for the first time to submit an an-*
10 *nual report to Congress on the total costs and benefits*
11 *to the public of Federal rules and paperwork require-*
12 *ments, including an assessment of the effects of Fed-*
13 *eral rules on the private sector and State and local*
14 *governments. In 1998, Congress changed the annual*
15 *report's due date to coincide with the due date of the*
16 *President's budget, so that Congress and the public*
17 *could be given an opportunity to simultaneously re-*
18 *view both the on-budget and off-budget costs associ-*
19 *ated with the regulatory and paperwork requirements*
20 *of each Federal agency. In 2000, Congress made this*
21 *a permanent annual reporting requirement.*

22 *(7) The Office of Management and Budget re-*
23 *quires agencies to submit annual budget and paper-*
24 *work burden estimates in order to prepare certain re-*
25 *quired reports for Congress, but it does not require*

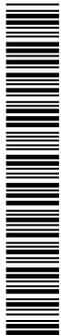


1 *agencies to submit estimates on costs and benefits of*
2 *agency rules and paperwork. The Office of Manage-*
3 *ment and Budget needs to require agencies to submit*
4 *such estimates on costs and benefits to help prepare*
5 *the annual accounting statement and associated re-*
6 *port required under section 624 of the Treasury and*
7 *General Government Appropriations Act, 2001.*

8 **SEC. 3. REDUCTION OF TAX PAPERWORK.**

9 *Section 3504 of title 44, United States Code, is amend-*
10 *ed by adding at the end the following new subsection:*

11 *“(i) In carrying out subsection (c)(3), the Director*
12 *shall (in consultation with the Internal Revenue Service*
13 *and the Office of Tax Policy of the Department of the Treas-*
14 *ury and the Office of Advocacy of the Small Business Ad-*
15 *ministration) conduct a review of the collections of informa-*
16 *tion conducted by the Internal Revenue Service to identify*
17 *actions that the Internal Revenue Service can take to reduce*
18 *the information collection burden imposed on small business*
19 *concerns, consistent with section 3520(c)(1) of this chapter.*
20 *The Director shall include the results of the review in the*
21 *annual report that the Director submits under section 3514*
22 *of this chapter for fiscal year 2006.”.*



1 **SEC. 4. REPEAL OF EXEMPTIONS FROM PAPERWORK RE-**
2 **DUCTION ACT, ETC.**

3 (a) *REPEALS.*—*The following provisions of the Farm*
4 *Security and Rural Investment Act of 2002 (Public Law*
5 *107–171) are repealed:*

6 (1) *Subparagraphs (A) and (C) of section*
7 *1601(c)(2).*

8 (2) *Section 1601(c)(3).*

9 (3) *Section 2702(b)(1)(A).*

10 (4) *Section 2702(b)(2)(A).*

11 (5) *Section 2702(c).*

12 (6) *Subparagraphs (A) and (C) of section*
13 *6103(b)(2).*

14 (7) *Section 6103(b)(3).*

15 (8) *Subparagraphs (A) and (C) of section*
16 *10105(d)(2).*

17 (9) *Section 10105(d)(3).*

18 (b) *EFFECTIVE DATE.*—*The repeals of the provisions*
19 *listed in subsection (a) shall take effect 180 days after the*
20 *date of the enactment of this Act.*

21 **SEC. 5. AMENDMENT OF TRUTH IN REGULATING ACT TO**
22 **MAKE PERMANENT PILOT PROJECT FOR RE-**
23 **PORT ON RULES.**

24 *The purpose of this section is to make permanent the*
25 *authority to request the performance of regulatory analysis*
26 *to enhance Congressional responsibility for regulatory deci-*



1 sions developed under the laws enacted by Congress. The
2 Truth in Regulating Act of 2000 (Public Law 106–312; 5
3 U.S.C. 801 note) is amended—

4 (1) in the heading for section 4, by striking
5 “**PILOT PROJECT FOR**”;

6 (2) by striking section 5 and redesignating sec-
7 tion 6 as section 5; and

8 (3) in section 5 (as redesignated by paragraph
9 (2))—

10 (A) in the heading, by striking “**AND DURA-**
11 **TION OF PILOT PROJECT**”;

12 (B) in subsection (a), by striking “(a) **EF-**
13 **FFECTIVE DATE.—**”; and

14 (C) by striking subsections (b) and (c).

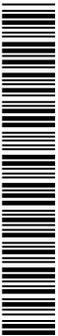
15 **SEC. 6. IMPROVED REGULATORY ACCOUNTING.**

16 (a) **REQUIREMENT FOR AGENCIES TO SUBMIT INFOR-**
17 **MATION ON REGULATIONS AND PAPERWORK TO OMB.—**

18 Section 624 of the Treasury and General Government Ap-
19 propriations Act, 2001 (as enacted into law by Public Law
20 106–554; 114 Stat. 2763A–161), is amended—

21 (1) by redesignating subsections (b), (c), and (d)
22 as subsections (c), (d), and (e), respectively, and

23 (2) by inserting after subsection (a) the following
24 new subsection:



1 “(b) *AGENCY SUBMISSIONS TO OMB.*—To carry out
2 *subsection (a), the Director of the Office of Management and*
3 *Budget shall require each agency annually to submit to the*
4 *Office of Management and Budget an estimate of the total*
5 *annual costs and benefits of Federal rules and paperwork,*
6 *to the extent feasible—*

7 “(1) *for the agency in the aggregate; and*

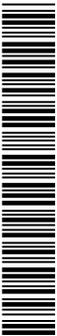
8 “(2) *for each agency program.*”.

9 (b) *INTEGRATION OF OMB ACCOUNTING STATEMENT*
10 *AND REPORT INTO PRESIDENT’S BUDGET.*—Section 624 of
11 *the Treasury and General Government Appropriations Act,*
12 *2001 (as enacted into law by Public Law 106–554; 114*
13 *Stat. 2763A–161) is further amended in subsection (a), by*
14 *striking “with the budget” and inserting “as part of the*
15 *budget”.*

16 (c) *REGULATORY BUDGETING.*—(1) Chapter 11 of title
17 *31, United States Code, is amended by adding at the end*
18 *the following new section:*

19 “**§ 1120. Regulatory budgeting**

20 “(a) *The Director of the Office of Management and*
21 *Budget, after consultation with the head of each agency,*
22 *shall designate not less than three agencies (or offices within*
23 *an agency) to participate in a study on regulatory budg-*
24 *eting for fiscal years 2006 and 2007. The designated agen-*
25 *cies shall include three regulatory agencies or offices from*

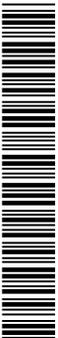


1 *among the following: the Department of Labor, the Depart-*
2 *ment of Transportation, the Department of Health and*
3 *Human Services, and the Environmental Protection Agen-*
4 *cy.*

5 “(b) *The study shall address the preparation of regu-*
6 *latory budgets. Such budgets shall include the presentation*
7 *of the varying estimated levels of benefits that would be as-*
8 *sociated with the different estimated levels of costs with re-*
9 *spect to the regulatory alternatives under consideration by*
10 *the agency (or office within the agency).*

11 “(c) *The Director of the Office of Management and*
12 *Budget shall include, in the accounting statement and asso-*
13 *ciated report submitted to Congress for calendar year 2006*
14 *under section 624 of the Treasury and General Government*
15 *Appropriations Act, 2001 (as enacted into law by Public*
16 *Law 106–554; 114 Stat. 2763A–161), a presentation of the*
17 *different levels of estimated regulatory benefits and costs*
18 *with respect to the regulatory alternatives under consider-*
19 *ation for one or more of the major regulatory programs of*
20 *each of the agencies designated under subsection (a).*

21 “(d) *In the accounting statement and associated report*
22 *submitted to Congress for calendar year 2009 under section*
23 *624 of the Treasury and General Government Appropria-*
24 *tions Act, 2001 (as so enacted), the Director of the Office*



1 *of Management and Budget shall include a report on the*
2 *study on regulatory budgeting. The report shall—*

3 *“(1) assess the feasibility and advisability of in-*
4 *cluding a regulatory budget as part of the annual*
5 *budget submitted under section 1105;*

6 *“(2) describe any difficulties encountered by the*
7 *Office of Management and Budget and the partici-*
8 *pating agencies in conducting the study; and*

9 *“(3) recommend, to the extent the President con-*
10 *siders necessary or expedient, proposed legislation re-*
11 *garding regulatory budgets.”.*

12 *(2) The table of sections at the beginning of such chap-*
13 *ter is amended by adding at the end the following new item:*

“1120. Regulatory budgeting.”.

